

## Message Text

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PAGE 01 OECD P 31014 041735Z

43

ACTION EUR-25

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 PA-04

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FM USMISSION OECD PARIS

TO SECSTATE WASHDC IMMEDIATE 1283

CONFIDENTIAL OECD PARIS 31014

E.O. 11652: GDS

TAGS: OECD

SUBJECT: EUROPEAN CHIEFS OF MISSION MEETING: OECD

REF: A.)STATE 231852; B.)USOECD 26347

1. SINCE MY MESSAGE OF OCTOBER 9, THE OIL CRISIS HAS BECOME  
THE PRINCIPAL ECONOMIC CONCERN OF THE OECD COUNTRIES AND OF  
THE OECD ITSELF. THE EXPERIENCE OF THE PAST MONTH AND A  
HALF HAS ILLUSTRATED BOTH THE STRENGTH AND THE LIMITATIONS  
OF MULTILATERAL COOPERATION AS CONDUCTED IN THE OECD.

2. THE DIVISIONS IN VIEWPOINT ON THE RIGHT RESPONSE TO THE  
SITUATION, PARTICULARLY AMONG EC COUNTRIES, HAVE BEEN  
REFLECTED IN OECD DELIBERATIONS. THEY HAVE PREVENTED THE  
ACTIVATION OF THE FORMAL FACILITIES, WHICH EXIST ON A STAND-BY-  
BASIS, FOR FULL INFORMATION EXCHANGE, INVOLVING INDUSTRY COOPERA-  
TION; AND (OPTIONALLY) FOR OIL SHARING AMONG EUROPEAN MEMBERS.  
HOW FAR THE OECD MIGHT GO TOWARD ACTIVATING THE EUROPEAN  
SHARING SCHEME OR EXTENDING IT TO NON-EUROPEAN MEMBERS CAN BE  
KNOWN ONLY IF AND WHEN EXISTING DIFFERENCES, PARTICULARLY WITHIN THE

EC, ARE SUBSTANTIALLY NARROWED. IN ENERGY, AS IN TRADE

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PAGE 02 OECD P 31014 041735Z

AND OTHER FIELDS, THE ABILITY OF THE OECD TO TAKE FORML

BINDING COMMITMENTS IS SUBJECT TO THE UNANIMITY RULE  
THE EXISTENCE OF THE EC--WITH ITS INTERNAL DIFFERENCES--  
WITHIN THE OECD IS OF COURSE A COMPLICATING FACTOR.

3. ON THE POSITIVE SIDE, THE REACTION HAS SHOWN THAT  
THE OECD RETAINS IN TIME OF STRES SOME FLEXIBLE  
CAPACITY (A) TO IMPROVISE APPROACHES TO A PROBLEM  
PRAGMATICALLY WHERE THERE ARE POLITICAL DIFFERENCES, AS  
EXCHANGE OF SOME OIL INFORMATION NOW PROCEEDS IN OTHER  
WAYS DESPITE THE INABILITY THUS FAR FORMALLY TO ACTIVATE  
THE STANENG PROCEDURS ; AND (B) TO EXAMINE AND DRAW  
CONCLUSIONS ON VARIOUS ASPECTS OF THE SITUATION,  
PARTICULARLY THE IMPACTS OF OIL SHORTFALLS AND PRICE  
INCREASES ON MAINTAINING ECONOMIC ACTIVITY AND ON THE  
BALANCE OF INTERNATIONAL PAYMENTS OF BOTH ADVANCED AND  
DEVELOPNG COUNTRIES. FURTHERMORE, THE PRESENCE OF  
JAPAN IN THESE DELIBERATIONS, THOUGH IT CANNOT SUCCEED  
IN REASSURING JAPAN FULLY CONCERNING THE IMPACT OF THE  
OIL SHORTAGE ON JAPANESE ECONOMIC AND POLITICAL LIFE,  
MEANS THAT ALL THE MAJOR CONSUMERS RE UTILIZING A  
COMMON, CONTINUING FORUM IN AN EFFORT TO ASSESS AND  
CONTRIBUTE TO A RESOLUTION OF A VITALLY IMPORTANT  
POLITICAL-ECONOMIC PROBLEM. IN VIEW OF THE INTER-  
DEPENDENCE OF OECD COUNTRIES, THE IMPORTANCE OF THESE  
JOINT EFFORTS IS EVIDET.

4. FOR FUTURE STEPS, OECD MEMBERSHIP (A) COMPRISING  
MAJOR OIL CONSUMING AND TRADING COUNTRIES COULD, IF  
IT WISHES, CONSIDER MAKING JOINT STATEMENTS ABOUT  
DAMAGING EFFECTS OF ARAB RESTRICTIONS ON WORLD TRADE,  
PROSPERITY AND INTERNATIONAL COMITY, AND(B) CONSTITUTES  
ALSO GROUP OF COUNTRIES WHICH, AT LATER STAGE, COULD PROMOTE  
AND ASSIST A POSITIVE APPROACH TO ECONOMIC DEVELOPMENT  
AND COOPERATION IN MIDDLE EASTERN REGION.

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## Message Attributes

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